

SANTOS LTD 3/5/2009 9:08:40 AM PAGE 1/001 Fax Server
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ASX/Media Release

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Santos



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5 March 2009

Reindeer Project Update

Santos today announced that Apache as operator of the Reindeer Project Joint Venture has signed a contract with Odebrecht Projects Australia for the Engineering, Procurement and Fabrication of the onshore gas plant at Devil Creek near Dampier in Western Australia.

The signing of this contract satisfies the condition precedent contained in the Gas Sales Agreement signed with Sino Iron (a subsidiary of CITIC Pacific Limited) in January 2009. The Reindeer Joint Venture will develop the Reindeer field to supply gas under this Gas Sales Agreement from the second half of 2011. The gas will be used for the Sino Iron project, a world scale magnetite mining project in Western Australia, along with other customers.

The gas would be supplied from the Reindeer gas field through a new 105 kilometre offshore pipeline and a new onshore sales gas processing facility at Devil Creek. The Reindeer project will have the capacity to produce 215 TJ of gas per day.

Santos has a 45% interest in the Reindeer field and Devil Creek gas plant. The remaining interest is held by Apache Northwest Pty Ltd (55% and operator).

Ends

Santos stock symbols: STO (Australian Securities Exchange), STOSY (NASDAQ
ADR), Ref #82-34 (Securities Exchange Commission)

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